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November 26, 1997

Cynthia L. Johnson
Director, Cash Management Policy and Planning Division
Financial Management Service
U.S. Department of Treasury
Room 420, 401 14th Street, SW
Washington, D.C. 20227

Dear Ms. Johnson:

I am writing on behalf of the Wisconsin Grocers Association representing more than 1,500 independent grocers, retail grocery chain stores, warehouses and distributors, convenience stores, food brokers and suppliers. I would like to express our concerns with the Electronic Funds Transfer (EFT) portion of the Debt Collection Improvement Act of 1996.

The Wisconsin Grocers Association applauds Congress and the President for passing this legislation and reducing the cost of Government. However, we are concerned that the estimated \$1 trillion in savings to the U.S. Treasury will be displaced onto the backs of recipients, banks and retailers.

As you know, there are currently 10 million people, or 18% of all federal benefit payment recipients, without a financial institution. For many of these people, setting up an affordable bank account may not be an option. If this is the case, will the financial institution be mandated to offer a low-cost account, forcing the costs to rise for other clients and businesses?

The Treasury has estimated the cost of issuing a paper check at 43 cents, while the average EFT payment will cost 2 cents. If a recipient is charged a minimal amount of \$3.00 to establish a bank account to receive their federal benefits, who is benefiting from the savings?

As a state on the verge of implementing an Electronic Benefits Transfer (EBT) system, we are very sensitive to the extra costs required to set-up such a system. We feel very strongly that there should be no additional costs to the recipients, because EBT and EFT are mandates passed on by the federal government.

I would like to reiterate the necessity to remove all additional costs that may be incurred through an EFT by recipients and retailers, unless there is a definitive mechanism to recover the costs.

It is our hope that within the short time allotted before this rule is promulgated a fair and equitable solution can be reached. Thank you for the opportunity to submit comments on the proposed rule.

Sincerely,

Brandon Scholz
President

cc: Craig Sadick, Food Marketing Institute
Elizabeth Tansing, Food Marketing Institute

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